



Meeting #3 – Meeting Summary

October 22, 2013, 10:00 am to 1:00 pm

Room 180, Baltimore county Delegation Room

House State Office Building, 6 Bladen Street, Annapolis

1. Welcome/Introductions – Matt Gallagher, Chair

Chairman Gallagher welcomed the Task Force and noted those unable to attend. The following Task Force Members were present:

- Matt Gallagher, Chair, , President and Chief Executive Officer, The Goldseker Foundation
- Secretary James T. Smith, Jr., Maryland Department of Transportation
- Senator Richard S. Madaleno, Jr., Maryland Senate, District 18, Montgomery County
- Senator George C. Edwards, Maryland Senate, District 1, Garrett, Allegany, and Washington Counties
- Delegate Tawanna P. Gaines, Maryland House of Delegates, District 22, Prince George's County
- Delegate A. Wade Kach, Maryland House of Delegates, District 5B, Baltimore County
- Richard M. Pollitt, Jr., County Executive, Wicomico County
- Carol Krimm, Alderman, City of Frederick
- William S. Ratchford, Baltimore City Mayor's Office

2. Meeting #2 Handouts & Follow-up Items

Chairman Gallagher noted handouts and follow-up items emailed ahead of the meeting to members as well as posted online and in their packets. Handouts included:

- Speaker presentations and brief bios
- Information on Tax Increment Financing (TIFs) in Maryland
- Information on Virginia Route 28 Improvement District
- Information on the Virginia Grantor's Tax
- Local Funding Mechanism Summary Matrix
- Northern Virginia Transportation Authority Fact Sheet
- Metropolitan Washington Council of Governor's Transportation Planning Board (TPB) Letter to Maryland and Virginia Legislators

3. Regional Coordination, Governance and Funding Opportunities in the Washington Region - Ron Kirby, Director, Transportation Planning, Metropolitan Washington Council of Governments

Mr. Kirby offered remarks on regional funding in the metropolitan Washington region, relying on two documents. He referred primarily to a letter from the Transportation Planning Board to the Governors of Maryland and Virginia, Mayor of the District of Columbia, and legislators in each. The letter includes an appeal for additional funding and mentions local option taxes and tolls as potential mechanisms.

Mr. Kirby then reviewed the Northern Virginia Transportation Authority (NVTA) and related local options sales tax and congestion relief fee, raising a total of over \$200 million. He noted that Hampton Roads has a similar set of regional fees.

The Task Force had several questions for Mr. Kirby, including as it relates to the funding role of the Authority given that the State is responsible for most road funding. The response was that a majority of funding goes to transit, which is a different model than Maryland follows with the State primarily responsible for transit investment. Additional questions included as it relates to debt issuance and the NVTA's authority to do so and anticipated ratings. It was noted that the NVTA is new and has not yet bonded for any projects.

Chairman Gallagher invited Todd Lang of the Baltimore Metropolitan Council (BMC) to make any comments. Mr. Lang noted that the BMC Board is following the activities of the Task Force but did not have comments at this time.

4. Screening of Local Transportation Funding Options – Revenue Potential & Feasibility in Maryland - Dave Fleming, MDOT Chief Financial Officer and Tamar Henkin, High Street Consulting Group

Mr. Fleming presented information on the revenue potential of several local option taxes and fees under discussion. This included local option vehicle registration fees, local option income tax increment, local option transfer tax increment, and additional local property taxes. Chairman Gallagher offered that this information did not represent a recommendation but rather information to facilitate discussions.

Task Force members had a number of clarifying questions for Mr. Fleming and Ms. Henkin. One item that required follow-up related to local contributions to transit investment. This will be provided at the subsequent meeting.

5. Facilitated Discussion on Funding Options to Pursue – Matt Gallagher, Chair

Chairman Gallagher led a discussion of Task Force members regarding options that should no longer be considered, new options that should be, and the Task Force's interest in pursuing the Regional Transportation Authority (RTA) approach. The group determined

that the following should be removed from further consideration: local option gas tax, local option sales tax. There also was some discussion of potential restoration of Highway User Revenues (HUR).

The Task Force then discussed the potential for the Regional Transportation Authority (RTA) approach and established a request for additional information as it relates to the characteristics of successful approaches and examples. The group discussed the potential challenges of the RTA approach in Maryland, given the State's strong central role and questions regarding how a regional approach and strong State role can coexist successfully.

The Task Force also requested additional information on TIFs and project-specific taxing districts, including their potential in terms of how much can be raised. In addition, the group was interested in further information on the ability in Maryland to charge different tax rates for different classes of property (e.g., commercial, residential) within a tax district.

Chairman Gallagher suggested that the group focus on what needs to be enabled at the State level versus what localities can already do.

- 6. Next Meeting.** The next meeting for the Task Force, Meeting #5 is scheduled for Tuesday, November 19th, 10am – 1pm, which will be held in Room 180, the Baltimore County Delegation Room, of the House Office Building, 6 Bladen Street, Annapolis.